

Suitable for grade 8 and beginners who just started Accounting

LEARN YOUR ACCOUNTING BASICS

A STEP BY STEP APPROACH

**Introduction &
Accounting equations**

**Price Lists &
Purchase Orders**

**Writing up of Subsidiary
Journals**

**Posting to the
General Ledger**

**Balancing the
General Ledger**

**Compiling a Trial
Balance**



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Foreword



Annelize iLiffe

This book is specifically written for Grade 8 learners and beginners who just started with Accounting as a subject at school. It will also be most beneficial for teachers teaching Economic Management Sciences (EMS) or Accounting and do not have an Accounting background. Running a tutoring business for almost 20 years for both high school pupils and university students, I became increasingly aware of the great need out there for a publication where the basics are explained in a way to build a solid foundation for the child who wants to further his/her career in Accounting/Finance. The book is based on a story of a girl who started a Sweets Business and the underlying Accounting concepts and skills necessary to succeed in this. Grade 9 will be a continuation of Grade 8, and so forth with the basics just getting more complex.

With special thanks to Greg, Jeffrey, Stephan and Samantha who made this possible for me. Without you I could not have done this! Samantha, you have been my greatest inspiration in writing this book, because you were at the age where you could have benefitted the most from it.



Icons used in this e-book



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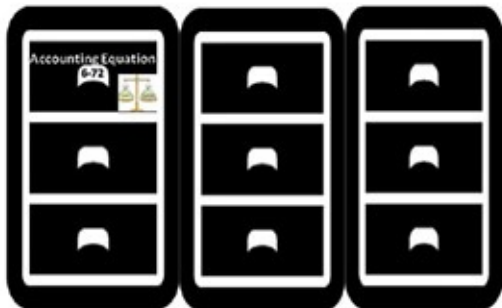
Demonstration



Worksheet



Worksheet solution





Learn the Basics



Accounting Equation

s
t s
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p
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Starting your own business

Your Name: The Sweet Lady

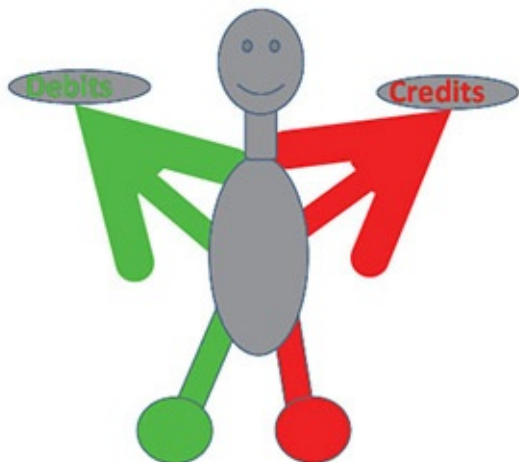
The name of your Business: The Sweet Xpress

Logo:



Slogan: Xpress your sweeter side





Definition

Debits & Credits



Every single transaction in Accounting is made up of a debit & credit side. A debit is usually shown on the left and a credit on the right hand side of a column or an account.



Definition



Accounting Cycle

The accounting cycle is the name given to the collective process of recording and processing the accounting events of a company. The series of steps begin when a transaction occurs and end with its inclusion in the financial statements.

Accounting Cycle

1. Accounting Equation

2. Entering transactions in Subsidiary Journals

3. Balancing Subsidiary Journals

4. Posting to General Ledger

5. Balancing General Ledger

6. Preparing a Trial Balance

Accounting Equation

$$\text{Assets} = \text{Liabilities} + \text{Owners Equity}$$



Accounting Equation

$$\text{Assets} = \text{Liabilities} + \text{Owners Equity}$$

Definition



Accounting
Equation

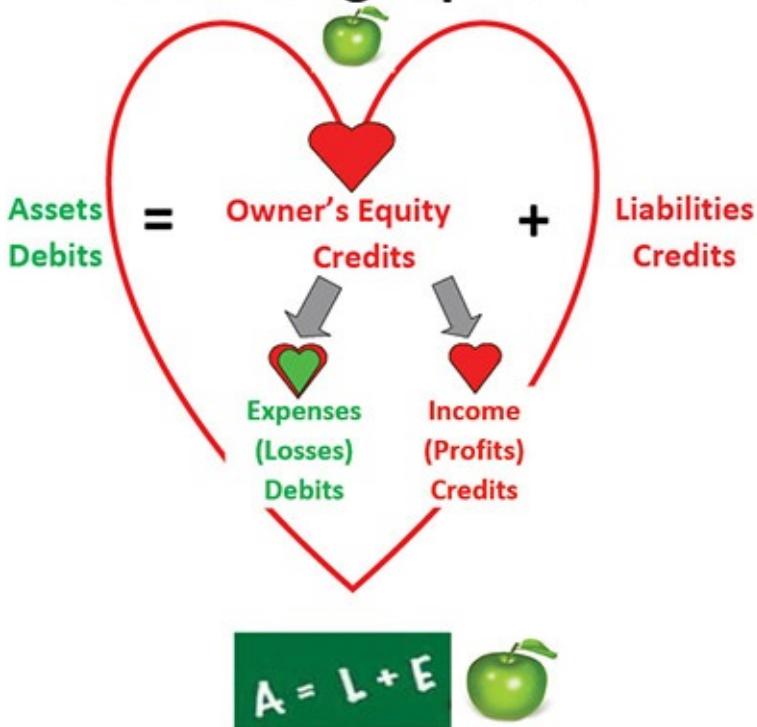
Assets = liabilities + owners' equity. It expresses the relationship between what is owned and what is owed by an entity.

$$A = L + E$$





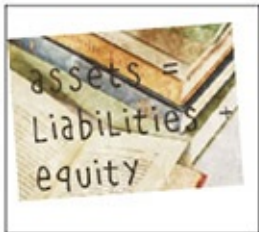
Accounting Equation





Accounting Equation

$$\begin{array}{l} \text{Assets} \\ \text{Debits} \end{array} = \begin{array}{l} \text{Owner's Equity} \\ \text{Credits} \end{array} + \begin{array}{l} \text{Liabilities} \\ \text{Credits} \end{array}$$





Accounting Equation

Assets

Debit

An asset is something you own, like Motor vehicles, Equipment. Assets have debit balances, indicated in **green**. Assets will appear in your Balance Sheet (Statement of Financial Position)



$$A = L + E$$



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